

**HUDSON COMMUNITY FOUNDATION
UNRESTRICTED FUND AGREEMENT**

THIS UNRESTRICTED FUND AGREEMENT (“Agreement”) is made this ____ day of _____, 200_ by and between [insert name of donor(s)] (“Donor”) and the Hudson Community Foundation, an Ohio nonprofit corporation that is a Charitable Organization (“Foundation”), under the Articles of Incorporation and Code of Regulations creating and governing the Foundation.

Donor and the Foundation desire to establish a unrestricted fund to be known as the [insert name of fund] (“Fund”) to be used for the Foundation’s Charitable Purposes.

I. CHARITABLE PURPOSES

A. **Grants for Charitable Purposes.** The Fund is being established exclusively for the Foundation’s Charitable Purposes. In particular, the Donor understands that no distributions will be made to discharge or satisfy a legally enforceable pledge or obligation, or pay for goods or services of value, for or to any person, including the Donor. The Donor intends the Foundation liberally exercise broad discretion in making grants from the Fund for its Charitable Purposes.

B. **Decisions Regarding Grants for Charitable Purposes.** Donor understands that all decisions for grants from the Fund will be determined by the Foundation’s Board of Trustees and in accordance with the Foundation’s Articles of Incorporation, Code of Regulations, and policies from time to time in effect.

II. FUND ASSETS

Donor hereby irrevocably transfers all right, title and interest in and to the assets described in the attached Schedule A and to all future donations that are designated to be added to the Fund. The Foundation accepts the assets described in the attached Schedule A. Donor understands that the net income or principal of the Fund may only be used for Charitable Purposes.

III. OPERATION OF FUND

A. **Investment of Fund Assets.** The Foundation will have full authority and discretion to invest and reinvest the assets of the Fund. The Foundation may invest the assets of the Fund with other assets of the Foundation. [INSERT IF DONOR DESIGNATES AN AGENT FINANCIAL INSTITUTION: [Insert name of agent financial institution] will serve as the initial custodian and investment manager of the assets of the Fund.]

B. **Records.** The Foundation will keep accurate financial and other records relating to the administration and management of the Fund. The Foundation will provide the Donor with quarterly written reports on the activity of the Fund.

C. **Publicity.** The Foundation may include the name of the Fund and the name of the Donor in its annual report, and all distributions from the Fund will be made in the name of the Fund.

D. **Annual Fees.** The Foundation may assess fees to satisfy the administrative costs of the Fund. At this time, it is the Foundation's policy to subtract asset management fees charged by third parties from the Fund, and to assess a fee for the Foundation's administration of the Fund based on the value of the assets held in the Fund. However, the Foundation reserves the right to amend its policy, but only as part of an across the board policy change that affects all such similar funds within the Foundation.

E. **Additional Property.** The Donor and any other person may at any time add property to the Fund as long as such property is acceptable to the Foundation. All future gifts to the Fund will be subject to the same terms and conditions set forth in this Agreement.

F. **Component Part of Foundation.** The Donor and the Foundation intend that the Fund be a component part of the Foundation as defined in Treasury Regulation 1.170A-9(e)(11)(ii) and not a separate trust. Nothing in this Agreement will affect the tax status of the Foundation as an organization described in Section 501(c)(3) of the Code and as an organization which is not a private foundation within the meaning of Section 509(a) of the Code.

G. **Termination.** The Foundation will have the option to terminate the Fund if the annual asset value in each of two consecutive calendar years is less than Two Thousand Dollars. Upon the Fund's termination, the principal and undistributed income of the Fund will become part of the Foundation's general endowment, subject to its unrestricted use or distribution, or, in the sole discretion of the Foundation's Board of Trustees, be distributed to such Charitable Organizations as the Foundation's Board of Trustees determines.

H. **Interpretation of Agreement.** This Agreement will be interpreted in a manner consistent within the foregoing intentions and so as to conform to the requirements of the federal tax laws and any regulations issued pursuant thereto applicable to the Foundation.

I. **Foundation's Authority to Amend.** The Foundation is authorized to retroactively amend this Agreement to (i) conform to the provisions of any applicable law or government regulation in order to carry out the provisions of this Agreement and (ii) protect the tax status of the Foundation.

IV. MISCELLANEOUS

A. **Successors.** This Agreement will be binding upon and will inure to the benefit of the Foundation and the Donor and their respective successors, heirs, executors and administrators.

B. **Governing Law.** This Agreement will be governed by the laws of the State of Ohio.

C. **Entire Agreement.** This Agreement constitutes the entire agreement between the Donor and the Foundation and supersedes any prior agreements relating to the subject matter of this Agreement.

D. **Headings.** The section headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement.

E. **Severability.** The invalidity of any term or terms of this Agreement will not affect any other term of this Agreement, which will remain in full force and effect.

F. **Assignment.** The Donor may not assign any rights or benefits under this Agreement.

G. **Counterparts.** This Agreement may be executed in one or more counterparts, which together will constitute one and the same instrument.

V. DEFINITIONS

For purposes of this Agreement, the following terms will have the following meanings:

A. **“Code”** means the Internal Revenue Code of 1986, as amended, or any future Internal Revenue Code.

B. **“Charitable Organization”** means, at the time of making any grant from the Fund, any organization a contribution to which would qualify for a federal income tax charitable deduction under Sections 170(b)(1)(A) and 170(c) of the Code *other than* a (i) Type I, Type II, or Type III supporting organization that is directly or indirectly controlled by the Donor or related persons and (ii) Type III supporting organization that is not functionally integrated.

C. **“Charitable Purposes”** means any of the purposes set forth in the Foundation’s Articles of Incorporation and Code of Regulations.

VI. ACCEPTANCE

By execution of the Agreement, the Donor and the Foundation signify their acceptance of the terms and conditions of this Agreement.

Date: _____

[insert name of donor]

[

[insert name of donor]]

HUDSON COMMUNITY FOUNDATION

Date: _____

By: _____
James R. Hackney, President

SCHEDULE A

[Insert Name of Fund]

of the Hudson Community Foundation

[insert description of property]